

A Forrester Consulting
Thought Leadership Paper
Commissioned By DataStax

April 2017

The Evolution To Real-Time Customer Experience

Optimize Customer Experience With CX Data
Platforms

Table Of Contents

- 1 Executive Summary
- 2 Customer Obsession Is An Imperative For Success
- 2 Companies Miss The Mark With CX
- 5 Evolve Your Strategy From Personalization To Individualization
- 9 Key Recommendations
- 10 Appendix

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To provide truly personalized experiences, companies need a 360-degree view of the customer.



89% are investing in tools and technology to improve their CX initiatives.

Executive Summary

Your customers dictate your success. The digital era has not only shifted the power to them but has also raised their expectations for customer service that is prompt, consistent, and personalized. But as much as organizations try to address the needs of these empowered buyers, they struggle across the board with customer experience (CX) initiatives.

By using CX data platforms, organizations will enable a secure, singular view of the customer in real time, giving marketers and CX professionals important insight into every interaction so they can provide personalized and seamless customer experience across all touchpoints.

In January 2017, DataStax commissioned Forrester Consulting to evaluate the current success of CX initiatives at US and European organizations and the challenges these organizations face.

KEY FINDINGS

- › **CX decisions are not driven by real-time data.** To engage customers in the moment, companies require data systems that provide insights in real time. However, 95% are unable to make sense of customer data and struggle to gain real-time insights from it. Thus, companies are hindered from serving customers in their immediate context, ultimately hurting their business results.
- › **Customer experience is not truly personalized.** Today's personalization efforts are haphazard. Companies rely on segmentation, use single data points, or provide no value when personalizing experiences, thus not doing so effectively. Companies need to make investments not in systems of engagement but in systems of insight, because a 360-degree view of the customer is a requirement to provide truly personalized experiences.
- › **CX data platforms are an imperative in the age of the customer.** Most companies are investing in technology to improve their CX. Almost 90% of CX decision-makers believe they would see notable improvements in their CX as a result of implementing an integrated CX data platform. Those who have already implemented a CX data platform are more likely to have a successful CX strategy and effective personalization efforts.

Comprehensive CX data platforms enable a secure, singular view of the customer in real time, giving users insight into every interaction so they can offer personalized CX, enticing offers and recommendations, and seamless, one-company interactions with audiences.

Customer Obsession Is An Imperative For Success

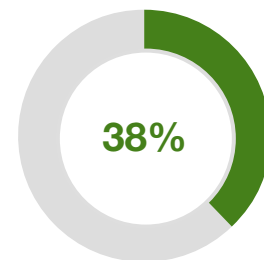
Today's digitally savvy customers now control how and where they access information and, ultimately, where they share their wallets. They expect you to understand and address their needs quickly without compromising quality of service. Each instance a customer is exposed to an improved digital experience, their engagement expectations are reset to a new, higher level. Can you keep up?

We are in the age of the customer, a phenomenon that requires companies to continuously reinvent themselves to systematically understand and serve increasingly powerful customers.¹ These empowered buyers demand a new level of customer obsession, and it's imperative that companies evolve to meet demands. For this reason, transforming CX should be the top priority at every organization.



Companies Miss The Mark With CX

Despite the importance of being customer obsessed, results from this study indicate that only 35% of companies are making it a top priority to improve customer experience. Thus, companies are unable to use data to make data-driven business decisions related to their CX initiatives and strain to provide the personalized experiences customers seek. It's no surprise that only 23% can execute their CX strategy extremely successfully.



CX DECISIONS ARE NOT DRIVEN BY REAL-TIME DATA

Forrester's research proves that "customer obsession is the surest path to business success in the age of the customer. And customer obsession requires that businesses use data about their customers, markets, and business operations to drive insights that they can turn into action — new or enhanced products, stickier customer relationships, and customer-focused operations."² However, fast access to data is critical to keep up with customers and serve them in the moment they are engaging with you. If your data systems don't provide insights in real time, you are limiting yourself.³

Only 38% have made it a top priority to improve their use of data to make decisions that affect CX.

Results from this survey show that less than 40% are making data-fueled initiatives a top priority to improve customer experiences. In fact, only 38% have made it a top priority to improve their use of data to make decisions that affect CX. Thus, companies face challenges with key elements for improving customer experiences. These include:

- › **Gathering customer data.** Smart organizations rely on data to drive CX imperatives, foster innovation, and develop a CX strategy.⁴ But this isn't easy. The reality is that 95% of organizations in this study struggle with collecting and making sense of customer data for a variety of reasons. These issues include the volume and variance in types of data, lack of a data strategy, difficulty accessing or sharing data, and the inability to identify which data is even useful.

THERE ARE GAPS IN PERSONALIZING CX

Survey results indicate that only 37% of CX decision makers are prioritizing improving CX through personalization. This means there are gaps in personalizing customer experiences:

- › **Personalization has historically been driven by segmentation, but doing so provides the “wrong” experience for most customers.** This method misses the mark with true personalization, as it assumes interest in a product or service based on a segment, instead of the individual customer.
- › **Single data points are often used to personalize the entire customer journey.** However, companies knowing one thing about the customer doesn't mean they know everything about the customer. Companies need to make investments not in systems of engagement but in systems of insight. You need a 360-degree view of the customer to provide truly personalized experiences in the time of need.
- › **Organizations too quickly check the box on delivering “personal” experiences.**⁶ Greeting a customer by name or remembering their birthday when they enter your website is a nice gesture but does not provide real value to a customer's journey (i.e., providing tailored recommendations, understanding intent to purchase, or offering information for a specific product the customer has been eyeing). Personalization done well provides value to both customers and companies.
- › **Understanding and respecting personal boundaries is still a challenge.** Smart companies are looking for solutions that are overt when collecting data by explaining their reasoning, but covert in using data to deliver personalization.

Yes, it's difficult to focus on improving customer experience when companies have a long laundry list of business objectives. But not prioritizing CX means losing across all aspects of the business.

Companies need to invest in systems of insight to have a 360-degree view of the customer and provide truly personalized experiences.

Evolve Your Strategy From Personalization To Individualization

Forrester's research has found that organizations must prepare for the next evolution of personalization, which will rely more on the pillars of individualization rather than segmentation. Per this research, a solid individualization strategy is built upon key technology investments that have four unique characteristics:

- › Customers are identified and treated as a segment of one using rich customer profiles.
- › Customer data is contextual, assessed in real time, and dynamically calculates intent.
- › Personalized content is delivered equally across every screen and channel.
- › Connected technologies enable far richer and more relevant engagements.

Solutions that address these characteristics exist today, and 89% of CX decision makers are investing in tools and technology to improve their CX initiatives (see Figure 2).

CX DATA PLATFORMS ARE THE SOLUTION

CX data platforms play a key role in driving customer experiences. They enable a secure, singular view of the customer in real time, giving marketers and CX professionals important insight into every interaction so they can provide personalized and seamless customer experience across all touchpoints.

CX decision makers fully recognize the value that CX data platforms provide. And they have high expectations from these platforms, placing high importance on data security, cloud capabilities, access to data and insights in real time, ability to create a holistic view of the customer across channels, and much more. When asked about the potential impact such a solution could have on their organization, 89% of CX decision makers believe they would see notable improvements in their CX as a result of implementing an integrated CX data platform (see Figure 3).

A CX data platform enables a secure, singular view of the customer in real time, giving users insight into every interaction so they can offer personalized and seamless customer experiences across all touchpoints.

Individualization relies on technology that:



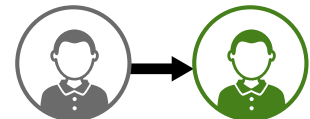
Serves customers as individuals



Provides insights in real time



Delivers seamless experiences



Enables cross-system connectivity

Figure 2

“What steps does your organization plan on taking to improve customer experience?”

(Percent who selected one or more of the following shown)

Eighty-nine percent have invested in one or more of these tools and technology for improving CX:



- Invest in tech solutions, infrastructure, or PaaS to enable/expedite in-house development of CX offerings
- Increase investment in digital customer experience initiatives
- Increase investment in customer data management and operationalization efforts
- Increase investment in physical customer experience initiatives
- Implement SaaS solutions for customer experience functions

Base: 206 US and EMEA decision makers with responsibility for CX initiatives at their companies
Source: A commissioned study conducted by Forrester Consulting on behalf of DataStax, February 2017

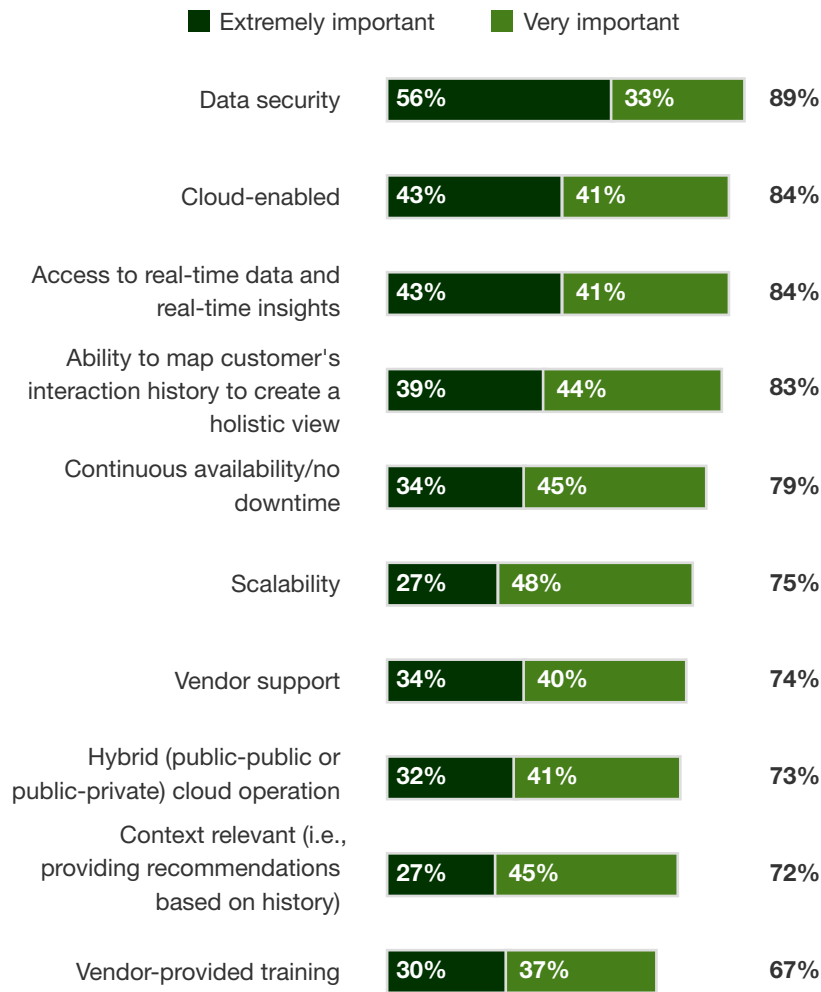
Data results indicate that there are significant benefits to adopting a CX data platform (see Figure 4).

These benefits are further emphasized when comparing those that have implemented a CX data platform and those that have not. CX data platforms have a direct impact on:

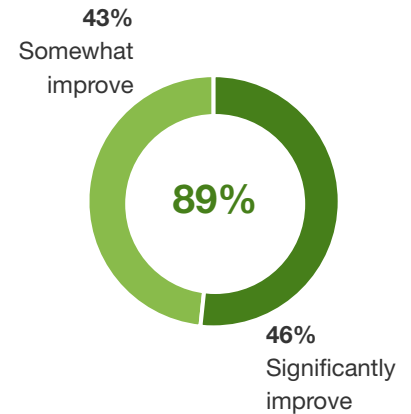
- › **CX strategy success.** Ninety-five percent of those that have already implemented such a platform rate their CX strategy as successful. Only 45% of those without a CX data platform can say the same about their CX strategy (see Figure 5).
- › **The effectiveness of personalization efforts.** Companies that have already implemented a CX data platform are 45% more likely to believe they are being effective at making their customers feel like they truly know them.

Figure 3

“How important are the following features/capabilities in a CX data platform?”



Eighty-nine percent believe a single CX data platform with all ten capabilities would “**significantly**” or “**somewhat**” improve their CX

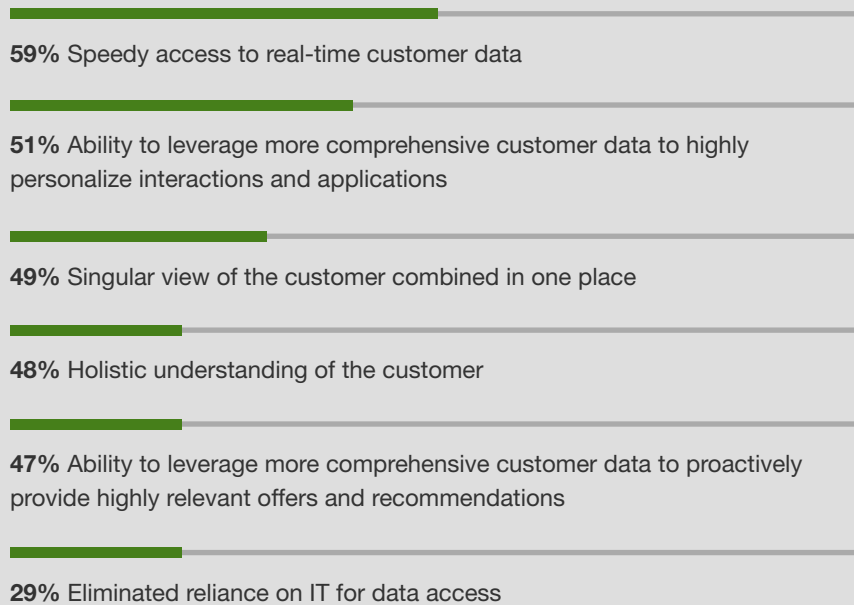


Base: 206 US and EMEA decision makers with responsibility for CX initiatives at their companies

Source: A commissioned study conducted by Forrester Consulting on behalf of DataStax, February 2017

Figure 4

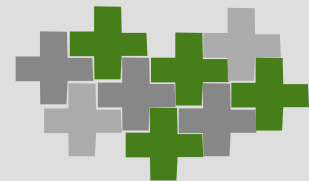
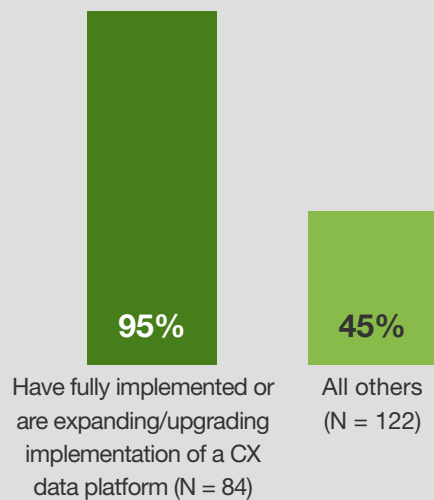
“What business benefits and operational efficiencies would you anticipate realizing if you had a CX data platform that provided you with a more comprehensive view of the customer?” (Multiple responses accepted)



Base: 206 US and EMEA decision makers with responsibility for CX initiatives at their companies
Source: A commissioned study conducted by Forrester Consulting on behalf of DataStax, February 2017

Figure 5

“How successful is your organization currently at executing your customer experience strategy?” (“Extremely” or “very” successful responses shown)



Those who have already implemented a CX data platform are more than twice as likely to describe themselves as successful at executing on their CX strategy.

Base: 206 US and EMEA decision makers with responsibility for CX initiatives at their companies
Source: A commissioned study conducted by Forrester Consulting on behalf of DataStax, February 2017

Key Recommendations

Forrester's in-depth survey of CX decision makers about their CX initiatives yielded several important recommendations:



Become a real-time data-driven organization. Digital professionals must take the lead in helping the organization move away from using opinions and assumptions about the customer, experiences, and operations to make business decisions. Customer-obsessed companies use rich, reliable data and insights to shape their company's culture, organizational processes, technology investments, and metrics for measuring initiatives against company goals and objectives.



Build a system for either connectivity or consolidation of data. To create seamless, connected experiences for customers and efficiencies in operations, data cannot live in multiple disconnected systems. Creating a single data repository is the optimal route to take that will yield lower maintenance costs and management expenditure over time.



Educate the entire organization on strategic objectives for optimizing the customer journey. It is critical for every business decision maker in the company to understand the “why” of business decisions before taking actions on the “when, how, and where” of company initiatives. Identifying pain points and opportunities for improvements in both customer journeys and operations will help business users classify what data is useful for aligning these decisions with company goals.



Use real-time data to shift from segmentation to individualization. Segmentation models and big data solutions that look back in time are always one step behind the customer and do not address a consumer's real need at their moment of intent. Organizations that wish to be seen as relevant in the consumer's mind must use unique, individual customer behavior — captured, assessed, and utilized in real time — to create real, perceivable value through individualized, personal experiences along each customer's journey.



Empower business units through real-time insights and analytics. Organizations today must move at the speed of the customer to meet their expectations. But real-time insights and systems must not be reserved for just marketing or eCommerce teams. Today's organizations must all be operating at the same rapid pace, and that includes the often-forgotten areas of store operations, merchandising, and even back-office teams like inventory and procurement.



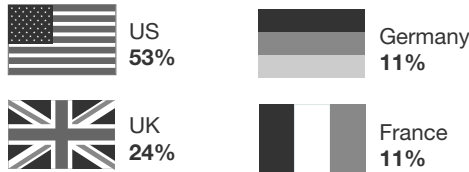
Consider investing in a CX data platform. To gain insights from data, address customer needs, and provide personalized experiences in real time, executives responsible for CX initiatives need the capability to improve their systems of insights. A platform can address challenges that have sprouted from using disparate point solutions, freeing up resources to meet CX strategy objectives.

Appendix A: Methodology

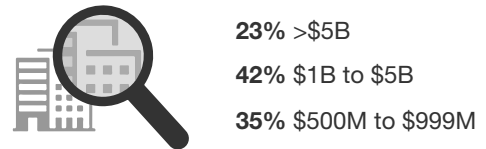
In this study, Forrester conducted an online survey of 206 cross-industry organizations in the US, the UK, France, and Germany to evaluate the success of CX initiatives and what companies can do to optimize these efforts. Survey participants included decision makers in marketing, communications, client services, eCommerce, or sales departments responsible for CX initiatives. Respondents were offered incentives as a thank you for time spent on the survey. The study began and was completed in February 2017.

Appendix B: Demographics/Data

“In which country are you located?”



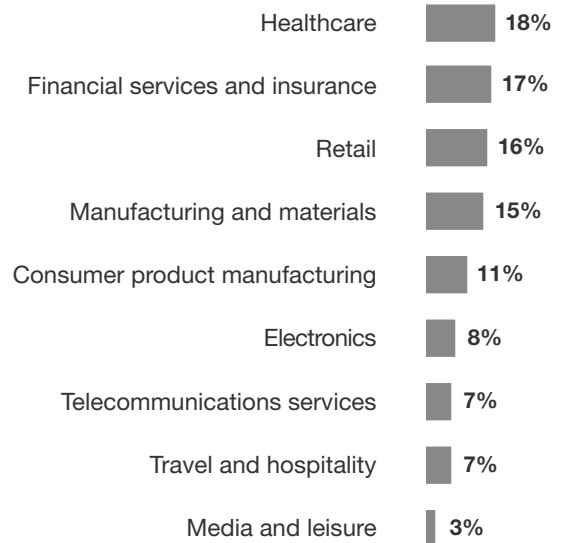
“Using your best estimate, what is your organization’s annual revenue (USD)?”



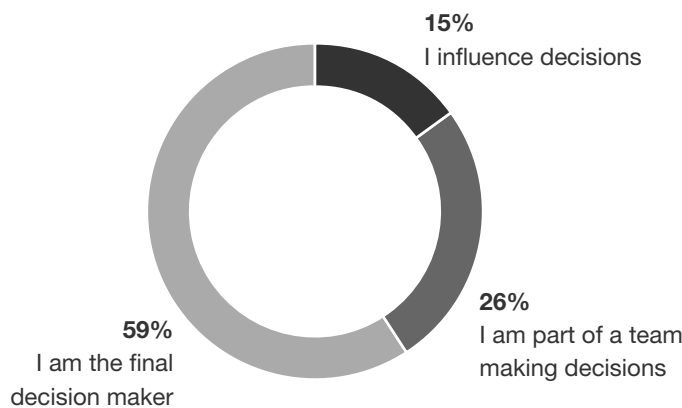
“Which title best describes your position at your organization?”



“Which of the following best describes the industry to which your company belongs?”



“What is your level of responsibility when it comes to customer experience initiatives at your organization?”



Base: 206 US and EMEA decision makers with responsibility for CX initiatives at their companies
 Source: A commissioned study conducted by Forrester Consulting on behalf of DataStax, February 2017

Appendix C

ENDNOTES

¹ Source: “Winning In The Age Of The Customer,” Forrester Research, Inc., April 6, 2015.

² Source: “Insights-Driven Businesses See Better Results,” Forrester Research, Inc., March 25, 2016.

³ Source: “Create A Road Map For A Real-Time, Agile, Self-Service Data Platform,” Forrester Research, Inc., December 19, 2016.

⁴ Source: “Brief: Collaborate And Model CX Behavior To Drive Customer Obsession,” Forrester Research, Inc., December 11, 2015.

⁵ Source: “Brief: Collaborate And Model CX Behavior To Drive Customer Obsession,” Forrester Research, Inc., December 11, 2015.

⁶ Source: “Pivot To Person-First Personalization,” Forrester Research, Inc., April 6, 2017.